KPMG CONSULTING - VERIZON RESPONSES regarding NJ BPU EXCEPTION Report #5

Exception #:	5
Component:	**KPMG Consulting observed several instances where Verizon's systems prevented orders submitted via EDI from flowing through in accordance with Verizon documentation.**
Domain:	POP
Date Uncovered by KPMG:	11/06/01
Date VERIZON Received:	11/06/01
Date VERIZON Responded:	11/30/00; 01/12/01 (1st Revision)
Date KPMG Consulting Responded:	12/11/00, 2/27/01
KPMG Summary Statement and	**Inaccurate or incomplete flow through processing due to system related issues may impede a CLEC's ability to anticipate the confirmation of service orders.**

KPMG Consulting Response:

KPMG Consulting's 2/27/01 Reply to Verizon's 1/12/01 Response

The responses that Verizon provided on the PONs listed below allowed KPMG Consulting to conduct further analysis, which follows. Based upon this analysis, KPMG Consulting is closing this Exception.

PONs 15-16

Verizon states that the Flow Through Documentation was updated in October 2000 to accurately reflect the flow through capability of partial migration of loop orders. According to the Generic Flow Through Scenarios Document, this order type is now considered Flow Through. KPMG Consulting agrees with this action.

PONs 7-8

Verizon has determined that an error was made on the daily Flow Through Report. While these orders were indicated as non flow through, Verizon has since determined that they should be categorized as Flow Through. KPMG Consulting has confirmed that the report was corrected on October 17, 2000.

PON 11

Verizon determined that there was a software issue preventing this order from being flow through. A software change was completed on 12/16/00. KPMG has since retested this order and has determined that the software change is now allowing for this order to flow through.

PON 5

Verizon has determined that there was a software issue that prevented this order from flowing through. A software change was completed on 12/16/00. Subsequent instances of this test case have flowed through, therefore KPMG Consulting has confirmed the issue has been resolved.

PON 9

Verizon has determined that an underlying system was not available at the time of the submission, therefore preventing flow through. Subsequent instances of this test case have flowed through, therefore KPMG Consulting has confirmed the issue has been resolved.

PONs 6, 10, 13, 14

Verizon has determined that the customer code was missing from the billing account number field (BAN2). KPMG Consulting agrees that if this information had been entered correctly, the order would have flowed through.

PONs 2, 12

Verizon determined that the orders were missing a customer code and a sub condition was encountered that did not support the flow through process. Verizon planned to update the Generic Flow Through Scenarios document prior to 2/1/01 to reflect that full loop migrations as specified with directory listings are not eligible for flow through. KPMG Consulting confirmed that Verizon updated the document on 1/26/01, making this order type non-flow through.

PON 3

Verizon determined that in the state of NJ, UNE-P suspension orders will not flow through. KPMG Consulting has confirmed that Verizon has updated the Generic Flow Through documentation to reflect this change.

PONs 1 and 4

Verizon determined that both of these TNs had "NLST" directory listings. Because of this, the flow through capability of these orders was not possible. KPMG Consulting confirmed that Verizon updated the Generic Flow Through documentation on 1/26/01, to reflect that when NLST precedes the directory listing, a change or removal of the existing listing will not flow through.

Verizon Response: **Verizon's 01/12/01 Reply to KPMG Consulting's 12/11/00 Response**

KPMG identified 16 order transactions that did not flow through in accordance with Verizon's documentation. Verizon agrees that the listed PONs did not flow through appropriately. For all PONs KPMG identified, Verizon promptly addressed the orders and sent confirmations to KPMG. Listed below are details of Verizon's investigation:

The following PONs did flow through:

1) Documentation inconsistency

PON numbers	Scenario
15. 069021NN0X000006AA	Migrate auxiliary lines from Retail to UNE-L without number portability. Submit Directory Listing
16. 069021NN0X000007AA	Migrate auxiliary lines from Retail to UNE-L without number portability. Submit Directory Listing

Verizon identified the inconsistency between observed flow through levels and the flow through documentation. The documentation was revised in October 2000 accurately reflect the flow through handling of partial migrations with directory listings.

2) Incorrect flow through report indicator

PON numbers	Scenario
7. 001041NN0X000003AA	Migrate "as is" from Retail to Resale
8. 010102NN0X000002AA	Platform Post Migration Change

The PONs 7 and 8 did flow through at level 5; however, a report incorrectly classified them. This condition was fixed on October 17th 2000.

The following PONs did not flow through due to system errors:

1) Software defect of partial disconnects

PON number	Scenario
11. 077011NN0X000003AA	Post migration; Loop Partial Disconnect

This PON should have flowed through and did not. A software change was made December 16th, 2000.

2) Software defect allowed duplicate service order numbers

PON number	Scenario
5. 017011NN0X000001AA	Resale Post Migration Delete Account

This PON should have flowed through and did not. A software change was made December 16th, 2000.

3) System Unavailable

PON number	Scenario
9. 020041NN0X000014AA	Platform – New Activity

During the order editing process, an underlying system was not available preventing flow through.

The following PONs did not flow through due to input errors:

1) Listing requests missing account information

PON numbers	Scenario
6. 070041NN0X000004AA	Migrate UNE-Analog Loop w/ CLEC TN changes
10. 072011NN0X000012AA	New Analog loop w/straight line listing
13. 072071NN0X000009AA	New UNE-analog loops
14. 075021NN0X000007AA	Post Migration; UNE-L DL change

Verizon's investigation determined the customer code (position 11-13) was missing from the billing account number field (BAN2). Had the customer code been entered in this field, the orders would have flowed through.

Verizon documentation identifies generic flow through scenarios. The following PONs encountered sub conditions of these scenarios that prevented flow through:

1) Directory listings on loop full migrations as specified

PON numbers	Scenario
2. 079011NN0X000005AA	Migrate from Resale to UNE-L w/o number portability, Submit DL
12. 079011NN0X000018AA	CLEC Resale customer migrates to UNE-analog loops

PONs 2 and 12 were also missing the customer code. A sub condition was encountered that was not supported by the flow through process. The Generic Flow Through Scenarios document will be updated prior to February 1, 2001, to reflect that full loop migrations as specified with directory listings are not eligible for flow through.

2) Temporary suspend requests

PON number	Scenario
3. 016091NN0X000001AA	UNE-P Suspend

New Jersey UNE-P Suspend orders do not flow through. The Generic Flow Through Scenarios documentation will be modified prior to February 1, 2001, to reflect the appropriate flow through expectancy of platform suspension orders.

3) Removal of Listing Information

PON numbers	Scenario
1. 017071NN0X000002AA	UNE-P disconnect w/ "NLST" listings
4. 022011NN0X000006AA	Migration "as is" from Resale to Platform w/ "NLST" listings

Verizon's investigation revealed that during the process to remove "NLST" listings, a data mismatch was flagged and the request was queued for additional investigation. The Generic Flow Through Scenarios documentation will be modified prior to February 1, 2001, to reflect the appropriate flow through expectancy of New Jersey "NLST" listings prior to a software change in the February 18, 2001 release.

KPMG Consulting Response:

<u>KPMG Consulting's 12/11/00 Reply to Verizon's 11/30/00 Response</u>

KPMG requires that Verizon provide specific details, for each of the PONs raised in the exception, on the "data mismatch or constraint" that caused these PONs to be routed to the TISOC for manual intervention. The response that Verizon provided on PONs 1-14 does not allow KPMG to completely analyze the issue and determine whether or not the evaluation criteria is satisfied.

The response that Verizon provided on PONs 15-17 did allow KPMG to analyze the issue further.

PONS 15-16

PONS 15-16 consist of test case 069021 instances 6 and 7, AA version for both instances. These two PONS were both submitted on 9/29/2000 at 10:55 AM and both received local service confirmations on 9/29/2000 at 10:56 AM.

Test case 069021 reads*: Migrate 2 auxiliary lines of a VZ-NJ 4-lines business customer to CLEC UNE loop. Submit DL to list with the customer's new KPMG TN.*

On 9/29/00, Verizon's most current generic flow through documentation stated that a *partial migration of a Loop with a new main straight line listing (taking the billing telephone number= level 2) and taking a non billing telephone number is level 4 for less than 51 loops.*

Verizon has since updated their documentation to reflect that non BTN partial migrations for UNE loops are flow through. Verizon's language above is misleading in the fact that their statement implies that Verizon correctly processed these two PONs based on their documentation. KPMG Consulting assigns flow through expectations based on the most current flow through information at the time of submission. At the time of submission, Verizon's documentation did not reflect the actual flow through nature of the PON.

PON 17

PON 17 consist of test case 019031 instance 2, AA version. This PON was submitted on 9/25/2000 at 5:04 PM and received a local service confirmation on 9/25/2000 at 5:11 PM.

Test case 019031 reads: *Migrate as is of a CLEC resale 1-line business to another CLEC resale. Note: this is a CLEC to CLEC migration.*

This PON was presented to Verizon during the observation process and Verizon responded that the flow through problem that KPMG Consulting experienced was due to system related problems. KPMG Consulting subsequently included this PON in the flow through exception that covered all system related issues. Verizon then conducted additional research and attributed the issue to a KPMG Consulting input error. As a result of Verizon's response KPMG Consulting researched PON 17 further and agrees with Verizon. Therefore, KPMG

Consulting will remove this PON from the exception.

VERIZON Response:

<u>Verizon's 11/30/00 Response to Exception</u>

On November 17th, KPMG identified 17 order transactions that did not flow through in accordance with Verizon's documentation. Two types of conditions were identified – orders that did not flow and should have, and orders that did flow through and were not expected to. For the 17 PONs KPMG identified, Verizon followed the appropriate process and procedures to address the orders and then send the confirmations to KPMG.

The first set of PONs (1-14) did not flow through Verizon processing for a variety of reasons. Verizon's systems are designed to support quality order entry. In the event of a data mismatch or constraint, the TISOC review process promptly addresses any issue and supplies confirmations to the CLECs. Verizon is constantly working to improve flow though by addressing specific conditions that impact the level 5 flow through orders. For example, PONs 7 and 8 were resolved with the October release. Verizon continues to implement system enhancements to increase the percentage of flow through orders.

KPMG identified the second set of PONS (15-17) as 'not expected to flow through at level 5'. Verizon's investigation indicates that the 3 PONs correctly processed according to Verizon's flow through documentation, and therefore, there is no error.